

Presented to the Court by the foreman of the  
Grand Jury in open Court, in the presence  
of the Grand Jury and FILED in the U.S.  
DISTRICT COURT at Seattle, Washington  
February 9, 2022  
\_\_\_\_\_  
RAVI SUBRAMANIAN, Clerk  
By \_\_\_\_\_ Deputy

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,  
Plaintiff

v.

FARREL PADDIO,  
Defendant.

NO. CR22-014 RSM

**INDICTMENT**

The Grand Jury charges that:

**COUNTS 1-2**

**(Bank Fraud)**

**A. The Scheme and Artifice to Defraud and to Obtain Moneys and Funds**

1. Beginning at a time unknown but not later than August of 2018, and continuing until in or about September of 2018, in King County, within the Western District of Washington, and elsewhere, FARREL PADDIO did knowingly devise and execute a scheme and artifice to defraud financial institutions that are federally insured, and to obtain moneys, funds, credits, assets, and other property owned by, and under the custody and control of, financial institutions that are federally insured by means of materially false and fraudulent pretenses, representations, and promises, as further and more particularly described below.

2. The essence of the scheme and artifice was for PADDIO to unjustly enrich herself by fraudulently negotiating or otherwise forging stolen checks, and making or attempting to make unauthorized withdrawals from the victims' bank accounts at Bank of America, Bethpage Federal Credit Union, East West Bank, First Tech Federal Credit Union, Navy Federal Credit Union, U.S. Bank, and Washington Federal by depositing such checks into PADDIO's bank account at Inspirus Credit Union.

3. The scheme and artifice resulted in at least \$15,769.69 in actual losses and \$25,639.45 in potential losses to individual victims and financial institutions.

4. At all times relevant to the allegations, Bank of America, Bethpage Federal Credit Union, East West Bank, First Tech Federal Credit Union, Navy Federal Credit Union, U.S. Bank, and Washington Federal met the definition of a financial institution set forth in Title 18, United States Code, Section 20 because their depository accounts were insured by either the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

**B. Manner and Means of the Scheme and Artifice to Defraud and to Obtain Moneys and Funds**

5. The manner and means used to accomplish the scheme and artifice to defraud financial institutions, and to obtain moneys and funds by means of materially false and fraudulent pretenses, representations, and promises, included the following:

6. It was part of the scheme and artifice that PADDIO knowingly possessed stolen checks. PADDIO was not known by the victims, nor was she authorized by the victims to use, receive, or possess their checks.

7. It was further part of the scheme and artifice that PADDIO would fraudulently negotiate or otherwise forge the stolen checks to make them payable to her.

8. It was further part of the scheme and artifice that PADDIO would deposit or attempt to deposit the stolen and forged checks into PADDIO's personal bank account.

9. It was further part of the scheme and artifice that, in presenting these stolen and forged checks for deposit, PADDIO intended to defraud the financial institutions at

1 which the victims' accounts were held by representing to the financial institutions that  
 2 she was authorized to access the funds in those accounts, resulting in a loss and a risk of  
 3 loss to these financial institutions.

4 10. It was further part of the scheme and artifice that PADDIO failed to repay  
 5 the sums withdrawn, resulting in a loss and a risk of loss to financial institutions at which  
 6 the victims' accounts were held.

7 **C. Execution of the Scheme and Artifice to Defraud and to Obtain Money and**  
 8 **Funds**

9 11. On or about the dates set forth below, within the Western District of  
 10 Washington, FARREL PADDIO did execute the scheme and artifice to defraud and to  
 11 obtain moneys and funds described above by knowingly conducting and causing to be  
 12 conducted the following representative transactions and activities, with each transaction  
 13 constituting a separate Count of this Indictment:

Count	Date	Transaction
1	08/17/2018	PADDIO deposited check #23413 (drawn on P.D.W.I.'s Bank of America account ending in -3105) for \$5,962.00 into PADDIO's Inspirus Credit Union checking account ending in -9057.
2	09/07/2018	PADDIO deposited check #285 (drawn on S.I.'s Navy Federal Credit Union account ending in -4001) for \$3,500.00 into PADDIO's Inspirus Credit Union checking account ending in -9057.

23 All in violation of Title 18, United States Code, Section 1344.

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**COUNTS 3-4****(Theft of Public Funds)**

12. On or about the dates set forth below, in King County, within the Western District of Washington, and elsewhere, FARREL PADDIO willfully and knowingly embezzled, stole, and converted to her own use and the use of another, money of the United States of a value exceeding \$1,000.00. Specifically, FARREL PADDIO converted to her own use and the use of another United States Treasury income tax refund checks to which she was not entitled, including through the following specific transactions, each of which constitutes a separate count of this Indictment:

Count	Date	Transaction
3	06/02/2018	PADDIO deposited U.S. Treasury check #4038-44256643, issued to B.B. and M.B. for \$23,062.00, into PADDIO's Salal Credit Union checking account ending in -7368.
4	06/15/2018	Paddio deposited U.S. Treasury check #4038-45131955, issued to M.J. for \$5,136.00, into PADDIO's Salal Credit Union checking account ending in -7368.

All in violation of Title 18, United States Code, Section 641.

**FORFEITURE ALLEGATION**

The allegations contained in Counts 1–4 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture. Upon conviction of either of the offenses alleged in Counts 1–2, Defendant FARREL PADDIO shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property, real or personal, that constitutes or is derived from proceeds traceable to her commission of such offense, including, but not limited to, a sum of money representing the proceeds Defendant obtained as a result of her commission of such offense.

1       Upon conviction of either of the offenses alleged in Counts 3–4, Defendant  
2 FARREL PADDIO shall forfeit to the United States, pursuant to Title 18, United States  
3 Code, Section 981(a)(1)(C), by way of Title 28, United States Code, Section 2461(c), any  
4 property, real or personal, that constitutes or is derived from proceeds traceable to her  
5 commission of such offense, including, but not limited to, a sum of money representing  
6 the proceeds Defendant obtained as a result of her commission of such offense.

7       **Substitute Assets.** If any of the above-described forfeitable property, as a result of  
8 any act or omission of the defendant,

- 9           a.     cannot be located upon the exercise of due diligence;  
10          b.     has been transferred or sold to, or deposited with, a third party;  
11          c.     has been placed beyond the jurisdiction of the Court;  
12          d.     has been substantially diminished in value; or,  
13          e.     has been commingled with other property which cannot be divided  
14               without difficulty,

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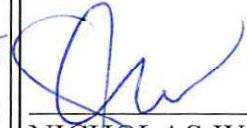
1 it is the intent of the United States to seek the forfeiture of any other property of the  
2 defendant, up to the value of the above-described forfeitable property, pursuant to  
3 Title 21, United States Code, Section 853(p).  
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5 A TRUE BILL:

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7 DATED: 09 February 2022

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9 *Signature of Foreperson redacted pursuant*  
10 *to the policy of the Judicial Conference of*  
11 *the United States.*

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14 FOREPERSON

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NICHOLAS W. BROWN  
United States Attorney

  
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THOMAS WOODS  
Assistant United States Attorney

  
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JESSICA M. LY  
Special Assistant United States Attorney